

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
CLAY COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004
Through June 30, 2005**



**CRIT LUALLEN
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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable James A. Sizemore
Clay County Property Valuation Administrator
Manchester, Kentucky 40962

We have performed the procedures enumerated below, which were agreed to by the Clay County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Clay County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2005), to determine if amounts are accurate.

Finding -

The PVA has a receipts ledger, disbursements ledger, and reconciles bank records to the check register each month. Auditor re-performed year-end bank reconciliation and determined that amounts are accurate. However, reconciliation prepared by PVA reconciled with check register but not with year-end book balance. We recommend the PVA reconcile the bank balance to book balance at year-end.

PVA's Response - No response.



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Clay County Property Valuation Administrator
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2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Auditor confirmed that city receipts were complete and agreed to the amount paid from city governments.

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Budgeted statutory contribution by fiscal court agreed to the legally required amount calculated by the Department of Revenue and traced to the PVA's local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Selected disbursements agreed to cancelled checks, paid invoices, or other supporting documentation with the following exceptions. One monthly credit card statement did not have supporting documentation for one purchase. Auditor also noted receipts were not signed by the cardholder. All expenditures appeared to be for official business.

PVA's Response - No response.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

The PVA did not have any capital outlay disbursements for the fiscal year ended June 30, 2005. No new assets were added to the PVA's Capital Asset Inventory List.

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Clay County Property Valuation Administrator
(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The PVA did not have any vehicle lease agreements, personal service contracts, or professional service contracts for the fiscal year ended June 30, 2005.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

Auditor could not complete this test procedure. The PVA maintains a disbursements ledger, but does not categorize expenditures according to budget line items.

PVA's Response - No response.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

It was determined that collateral is not necessary for the PVA's funds; therefore, no collateral agreement is necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

The PVA's office did not complete and maintain records to support hours worked (only maintained records of leave time). We recommend the PVA require all employees to maintain timesheets to support the hours worked. These timesheets should be prepared and signed by the employee and reviewed, approved, and signed by their supervisor before submitted to payroll processing.

PVA's Response - We are now complying with this effective January 1, 2006.

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The Honorable James A. Sizemore
Clay County Property Valuation Administrator
(Continued)

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the PVA and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized, cursive script.

Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
April 11, 2006

